

Message Text

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ACTION COME-00

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 DOTE-00 EB-08

FMC-01 INR-07 NSAE-00 SAL-01 CG-00 DLOS-06 OES-06 L-03

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DEPT PASS R. BOURDON, MARITIME ADMINISTRATION

RIO FOR MARATT KINSELLA

E.O. 11652: N/A

TAGS: EWWT, VE

SUBJECT: MANAGEMENT PROBLEMS AT INP AND THEIR CONSEQUENCES
FOR PROBLEMS OF BERTHING DISCRIMINATION AND PORT CONGESTION

REF: CARACAS 14817

1. SUMMARY - ALTHOUGH THE INSTITUTO NACIONAL DE PUERTOS (INP) HAS FAILED TO TAKE ACTION IN RESPONSE TO DIPLOMATIC NOTES SUBMITTED BY EIGHT COUNTRIES IN PROTEST OF 50/50 BERTHING POLICY (REFTEL), THE ISSUE HAS BEEN MADE MOOT BY WORSENING PORT CONGESTION, WHICH HAS CAUSED THE INP TO INSTITUTE AN AD HOC PRIORITY SYSTEM FOR BERTHING SPACE WHEREBY VESSELS CARRYING PERISHABLE FOODSTUFFS AND ESSENTIAL MATERIALS ARE GIVEN IMMEDIATE ACCESS TO BERTHS. THIS NEW SYSTEM HAS RESULTED IN VENEZUELAN FLAG LINES HAVING TO SUFFER THE SAME DELAYS FOR BERTHING SPACE AS FOREIGN FLAG LINES. CONSIDER-
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ABLE PRESSURE IS MOUNTING FOR A CHANGE IN THE MANAGEMENT OF INP. END SUMMARY.

2. CONGESTION IN VENEZUELA'S PORTS IS NOW WORSE THAN ANY PERIOD IN 1976, INCLUDING LAST YEAR'S HOLIDAY SEASON RUSH. WHILE THE TWO MAJOR VENEZUELAN PORTS OF PUERTO CABELLO AND LA GUAIRA HAVE SLIGHTLY

FEWER VESSELS AWAITING BERTHS (47 AT LA GUAIRA VS. 53 DURING PEAK); THIS HAS RESULTED FROM INP'S RECENTLY INSTITUTED COSMETIC SOLUTION OF REROUTING VESSELS TO ALTERNATE, LESS VISIBLE PORTS. SINCE THE END OF NOVEMBER, INP HAS REROUTED 47 VESSELS TO VARIOUS SMALLER PORTS. DUE TO THE LIMITED CAPACITY OF THESE PORTS, REROUTED VESSELS SUFFER DELAYS SIMILAR TO THOSE ENCOUNTERED AT PUERTO CABELLO AND LA GUAIRA. ADDITIONALLY, IF A SHIP IS SCHEDULED TO DOCK AT LA GUAIRA AND IS REROUTED TO GUANTA, A COMMON ALTERNATE PORT, THE IMPORTER IS FACED WITH AN OVERLAND HAUL TO CARACAS OF 350 KM INSTEAD OF 20 KM.

3. DESPITE CONSTANT CRITICISM, INP HAS FAILED TO INSTITUTE MEASURES WHICH WOULD STREAMLINE VENEZUELA'S CUMBERSOME CUSTOMS PROCEDURES. PRESENTLY, PAPER WORK IS NOT INITIATED ON A VESSEL'S CARGO UNTIL THE VESSEL HAS DOCKED. THE CUSTOMS PAPER WORK PER CARGO REQUIRES AN AVERAGE OF ONE WEEK TO COMPLETE ASSUMING THAT THERE ARE NO COMPLICATING FACTORS. IF DISPUTES ARISE BETWEEN THE CUSTOMS AUTHORITIES AND THE IMPORTER, THE IMPORTER MAY ENCOUNTER LENGTHY DELAYS BEFORE BEING ALLOWED TO REMOVE HIS SHIPMENT FROM THE PORT'S STORAGE AREA. THESE DELAYS HAVE CAUSED VENEZUELA'S STORAGE AREAS TO BE FILLED WITH CARGO THAT IS WAITING FOR CUSTOMS CLEARANCES, THEREBY LIMITING AVAILABILITY OF CARGO STORAGE SPACE FOR LIMITED OFFICIAL USE

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SUBSEQUENT INCOMING TRAFFIC.

4. AS VESSELS CONTINUE TO EXPERIENCE ONE-MONTH BERTHING DELAYS, THE INP HAS OPTED TO INSTITUTE AN "AD HOC" PRIORITY BERTHING POLICY FOR SHIPS WITH CARGOES OF PERISHABLE FOODS AND ESSENTIAL MATERIALS. VESSELS TRANSPORTING THESE PRIORITY ITEMS ARE GIVEN THE FIRST AVAILABLE BERTHS. INP LACKS A PRECISE DEFINITION FOR ESSENTIAL MATERIALS, AND SUCH DIVERSE ITEMS AS TOMATOES, COMPOUND CHEMICALS, POLICE PATROL CARS, AND 100 BOLIVAR BILLS HAVE QUALIFIED, CONFERRING PRIORITY STATUS ON THE VESSELS CARRYING THESE GOODS. THIS "PRIORITY BY CARGO" POLICY IN EFFECT OBLITERATED INP'S DISCRIMINATORY 50/50 BERTHING POLICH. VENEZUELAN FLAG LINES, INCLUDING CAVN, HAVE NOW BEGUN TO ENCOUNTER THE SAME DELAYS AS FOREIGN FLAG VESSELS.

5. INP'S CONTINUED FAILURE TO IMPROVE THE PORT SITUATION HAS CREATED AN ALLIANCE BETWEEN VENEZUELAN AND FOREIGN FLAG LINES IN OPPOSITION TO THE PRESENT INP ADMINISTRATION. ADM. GUSTAVO BAUDET, PRESIDENT OF CAVN, HAS MET SEVERAL TIMES WITH LOCAL AGENTS OF FOREIGN LINES AND EXPRESSED HIS DESIRE TO SEEK DISMISSAL OF LAURO TORRES, THE PRESIDENT OF INP. THIS WEEK SEVERAL AGENTS ARE MEETING TO DISCUSS PUBLICIZING THEIR DISSATISFACTION WITH INP. AS PART OF THIS PUBLICITY, THEY WILL STRESS THE INFLATIONARY PRESSURES THAT HAVE ARISEN FROM INCREASED FREIGHT CHARGES AS A RESULT OF PORT CONGESTION.

6. COMMENT - THE DEVELOPMENT OF THE UNUSUAL ALLIANCE NOTED ABOVE IN NO WAY PRECLUDES THE RECURRENCE, AT SOME FUTURE DATE, OF VENEZUELAN LIMITED OFFICIAL USE

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BERTHING POLICIES WHICH DISCRIMINATE AGAINST U.S. AND OTHER FOREIGN FLAG VESSELS. THE MAJOR POINT OF AGREEMENT BETWEEN VENEZUELAN AND FOREIGN FLAG LINES IS THEIR DISILLUSIONMENT WITH THE INP WHICH HAS FAILED TO ACHIEVE TANGIBLE RESULTS DESPITE THE FACT THAT IT HAS CONSOLIDATED ALL PORT RESOURCES AND ACTIVITIES UNDER ITS CONTROL AND BEEN GIVEN EMERGENCY AUTHORITY TO REDUCE PORT CONGESTION. END COMMENT.
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